

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA**

**Component Unit Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended June 30, 2011**

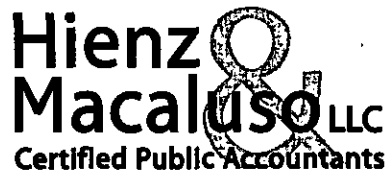
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 26 2011**

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
Annual Financial Statements
JUNE 30, 2011**

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Independent Auditors' Report

**To the Board Members of the
State Plumbing Board of Louisiana
Department of Labor
State of Louisiana
New Orleans, Louisiana**

We have audited the accompanying financial statements of the business-type activities of the State Plumbing Board of Louisiana (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the business-type activities of the Board as of June 30, 2011, and the respective changes in financial position and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress for Other Post-employment benefits information on pages 3 through 7 and 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The accompanying supplementary information such as the Division of Administration Reporting Packet, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Board. The Division of Administration Reporting Packet is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC
Metairie, LA

September 29, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

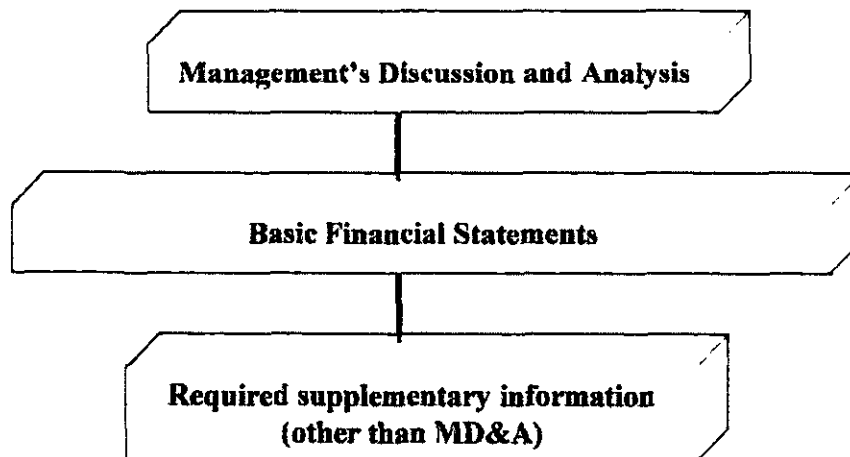
The Management's Discussion and Analysis (MD&A) of the State Plumbing Board of Louisiana's financial performance presents a narrative overview and analysis of the State Plumbing Board of Louisiana's financial activities for the year ended June 30, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the information contained in the State Plumbing Board of Louisiana's (the Board's) financial statements.

Financial Highlights

- ★ Net operating income increased by \$75,623 from the prior year.
- ★ The Board recorded long-term debt for the other post employment benefits liability for retiree benefits in the amount of \$ 137,414 as required under Government Accounting Standards Board Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. See footnote 6 for further discussion.
- ★ Net assets as of June 30, 2011 are \$ 32,465, which is a decrease from the previous year in the amount of \$ 41,085 or 20.98%.

Overview of the Basic Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.



These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statements of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (pages 8-9) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (page 10) presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until fiscal periods.

The Cash Flow Statement (pages 11-12) presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Financial Analysis of the Entity

The following presents condensed financial information on the operations of the Entity:

	Total	
	2011	2010
Current and other assets	\$ 213,039	\$ 214,889
Capital assets (net of accumulated depreciation)	6,549	9,356
Total assets	219,588	224,245
Current liabilities	35,127	43,506
Long-term debt outstanding (compensated absences)	151,996	139,654
Total liabilities	187,123	183,160
Net assets		
Invested in capital assets, net of debt	6,549	9,356
Restricted	-	-
Unrestricted	25,916	31,729
Total net assets	\$ 32,465	\$ 41,085
Operating Revenues	\$ 628,831	\$ 585,575
Operating Expenses	(637,942)	(670,309)
Operating income	(9,111)	(84,734)
Non-operating revenues (expenses)	491	664
Income before transfers	(8,620)	(84,070)
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ (8,620)	\$ (84,070)

The Board does not have any restricted net assets.

Net assets of the Board decreased by \$ 8,620 or 20.98%, from June 30, 2010 to June 30, 2011. The lesser decrease was due primarily to an increase in operating revenues in the amount of \$ 43,256 as well as a decrease in operating expenses of \$ 32,367.

Capital Assets and Long Term Debt Administration

Capital Assets

As of June 30, 2011, the Board had \$ 45,659 invested in a vehicle, furniture, fixtures, and office equipment, and computer equipment and software. There were no addition from the prior year - net book value as of June 30, 2011 amounted to \$ 6,549.

Long Term Debt

The Board has long-term debt outstanding at year-end for compensated absences (leave) in the amount of \$ 14,582 and other postemployment benefits payable in the amount of \$ 137,414.

Variations between Budgeted and Actual Amounts

Total operating revenues were approximately \$6,000 less than budgeted while total operating expenses were approximately \$7,000 more than budgeted.

Economic Factors and Next Year's Budgets and Rates

The majority of fees collected by the Board have decreased significantly since 1990. In light of the economic environment in this upcoming 2011 fiscal session, there is very little chance, in our opinion, of a fee increase bill passing through the state legislature requiring a two-thirds majority vote.

The Board, aware of a pending deficit, has and will continue to make cuts and search diligently for other sources of revenue, to keep qualified technicians in the workplace. This is critical to the protection of the health, safety, and welfare of Louisiana citizens.

In 2007 the New Orleans administrative office was closed and is now permanently located in Baton Rouge. These along with numerous inter-office budget cuts have been made and continue on a daily basis.

We, the State Plumbing Board of Louisiana, have made and continue to make efforts to maintain the State Plumbing Board of Louisiana as a viable licensing agency. However, our ability to sustain an adequate balance of board activities and enforcement of the Louisiana Plumbing Law has been and will continue to be adversely affected until the legislature realizes the significance of our financial situation.

The State Plumbing Board through its efforts has sustained the levels of efficiency recently established and has improved continuously through the 2009-2010 year. Significant changes in the enforcement division and office operations are ongoing and should evolve into a favorable outcome for the 2010-2011 year. In addition to these changes the State Plumbing Board of Louisiana plans to introduce a fee increase bill in

future legislative sessions. This is paramount for the Board to uphold the State Plumbing Law. This law protects the health, safety, and welfare of the people of Louisiana. A fee increase is needed and long overdue!

The State Plumbing Board is preparing for another tough fiscal year in 2011-2012. The Board is hoping to find a sponsor for an across the board fee increase bill for the 2012 legislative session. The board is operating on 1989-1990 fees. Also, House Bill 418 of the 2011 legislative session will hopefully ease some enforcement expenditures. Finally, the Board continues to downsize staff which places more responsibility on less staff and also creates reduction in the Board's obligation of benefits. This is due to a mandated benefit for retired employees of the Board.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the State Plumbing Board of Louisiana's finances and to show accountability of the Board for the money it receives.

If you have any questions regarding this report or need additional financial information, contact:

Mr. John Barker
Executive Director
12497 Airline Highway
Baton Rouge, Louisiana 70817

Or call 225-756-3434

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 125,613
Certificates of deposit	64,349
Receivables (net of allowance)	19,744
Prepaid expenses	<u>3,333</u>
Total Current Assets	<u>213,039</u>

CAPITAL ASSETS

Vehicles	20,284
Office equipment	11,341
Computer Equipment & Software	<u>14,034</u>
	45,659
Accumulated depreciation	<u>(39,110)</u>
Total Capital Assets	<u>6,549</u>
Total Assets	<u>\$ 219,588</u>

The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2011**

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 11,458
Payroll deductions and accrued salary	3,594
Deferred Revenue	<u>20,075</u>
Total Current Liabilities	<u>35,127</u>

NONCURRENT LIABILITIES

Compensated Absences	14,582
Other post employment benefits	<u>137,414</u>
Total Noncurrent Liabilities	<u>151,996</u>

Total Liabilities	<u>187,123</u>
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NET ASSETS

Invested in capital assets, net of related debt	6,549
Restricted for:	
Capital projects	-
Debt service	-
Other purposes	-
Unrestricted	<u>25,916</u>

TOTAL NET ASSETS	<u><u>\$ 32,465</u></u>
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The accompanying notes are an integral part of this Financial Statement.

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

OPERATING REVENUES:

Licenses	\$ 462,125
Examination fees	91,845
Enforcement actions	28,395
CPE provider fees	25,550
Temporary permits	11,250
Other	9,666
Total operating revenues	<u>628,831</u>

OPERATING EXPENSES

Personnel services:	
Commissioners per diem	4,980
Salaries	270,854
Employee benefits	109,708
Travel	42,315
Operating services	104,016
Supplies	8,041
Professional services	95,221
Depreciation	2,807
Total operating expenses	<u>637,942</u>

Operating Loss	(9,111)
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NON OPERATING REVENUE

Interest revenue	491
Total Non-operating Revenues (Expense)	<u>491</u>

Change in Net Assets	(8,620)
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Total Net Assets - Beginning	<u>41,085</u>
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Total Net Assets - Ending	<u>\$ 32,465</u>
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The accompanying notes are an integral part of these Financial Statements.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from license fees, permits, and enforcement actions	\$ 621,945
Cash payments for salaries and related benefits	(380,901)
Cash payments to suppliers for goods and services	<u>(254,429)</u>
Net cash provided (used) by operating activities	<u>(13,385)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of capital assets	<u>-</u>
Net increase (decrease) in cash and cash equivalents related financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(13,385)
Cash and cash equivalents at beginning of year	<u>138,998</u>
Cash and cash equivalents at end of year	<u><u>\$ 125,613</u></u>

The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

Reconciliation of operating income (loss) to net

Cash provided (used) by operating activities:

Operating loss \$ (9,111)

Depreciation \$ 2,807

Change in assets and liabilities:

(Increase) decrease in receivables (7,711)

(Increase) decrease in prepaid expenses (3,333)

Increase (decrease) in accounts payable (1,503)

Increase (decrease) in payroll deductions and accrued salary (7,701)

Increase (decrease) in deferred revenue 825

Increase (decrease) in compensated absences (2,490)

Increase (decrease) in OPEB payable 14,832

Total Adjustments (4,274)

Net cash provided (used) by operating activities \$ (13,385)

The accompanying notes are an integral part of this Financial Statement.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

INTRODUCTION

The State Plumbing Board of Louisiana, (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The Board is under the control of the Department of Labor and is a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board is composed of eight (8) members appointed by the Governor of Louisiana for a term of six years. The Board consists of one registered engineer, one plumbing inspector, three master plumbers, and three journeyman plumbers. Each appointment is made from a list of three names submitted by the following:

- The registered engineer and the plumbing inspector by the president of the Louisiana State Board of Health;
- Master plumbers by the Louisiana Association of Plumbing, Heating and Cooling Contractors of Louisiana or its successors;
- Journeyman plumbers by the Louisiana Pipe Trades Association or its successors.

The Board elects from its members a chairman, a vice chairman and a secretary-treasurer for two year terms; the election to be held within thirty days of July 1 in each odd numbered year. The chairman shall vote only in a case of a tie.

As authorized by Louisiana Revised Statute 37:1364, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$ 75.00 per day plus actual expenses. Mileage to and from the member's domicile to the place of the meeting or when otherwise required to travel for official authorized business of the board shall be reimbursed at the rate set by the Division of Administration for state employees pursuant to L.R.S. 39:231.

The Board is charged with the responsibility of licensing and regulating any person engaged in the following trades or businesses in the State of Louisiana:

- Plumbing installation or plumbing work or any character (journeyman plumber)
- Business of a master plumber
- Apprentice plumber
- Installing piping used solely to transport gases for medical purposes

The Board's main office is located in Baton Rouge, Louisiana. The Board's operations are funded entirely through annual self-generated revenues.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The board applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This new standard was implemented by the Board in 2001 and provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

Reporting Entity

The State of Louisiana is the governing authority and the governmental financial reporting entity for the Board. The financial reporting entity consists of:

- ❖ The primary government (State of Louisiana)
- ❖ Organizations for which the primary government is financially accountable
- ❖ Other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ❖ Appointing a voting majority of an organization's governing body, and
 - The ability of the State of Louisiana to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State of Louisiana.
- ❖ Organizations, for which the State of Louisiana does not appoint a voting majority, but are fiscally dependent on the State of Louisiana.
- ❖ Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the state has the ability to significantly influence the designation of management by the Governor appointing the Board members, and public service is rendered within the state's boundaries. The accompanying financial statements represent activity of the Board, and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements.

Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations. Basis of Accounting refers to when revenues and expenses are recognized and reported in the financial statements. The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

measurement focus. With this measurement focus, all assets and all liabilities associated with operations are included in the Statement of Net Assets.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenue, including all fees and interest revenue of the Board are recognized in the accounting period in which they are earned and become measurable. Operating revenues currently consist of all revenues except interest and “other” revenues.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses currently consist of all expenses.

Capital Assets

Capital assets with an original cost or donated value of \$ 5,000 or more are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Straight-line depreciation over a 5-year estimated useful life period is used on automobiles, furniture, fixtures and office equipment. These are the only capital assets of the Board’s office.

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee’s hourly rate of pay at the time of termination. Upon retirement unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. Accumulated sick leave is not paid.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist of all revenues earned at year end and not yet received. These include fees for enforcement actions, NSF checks and interest which are accrued when earned.

Prepaid items

Prepaid items consist of payments to vendors that benefit future reporting periods and are reported on the consumption basis.

Deferred revenues

Deferred revenue consists of examination fees collected prior to the testing dates. The fees are considered earned upon the administration of the test.

Long-term Liabilities

Long-term liabilities include amounts for compensated absences and other post employment benefits that are to be paid in future years.

Cash and cash equivalents

Cash and cash equivalents include demand deposits, petty cash and certificates of deposit with an original maturity of under 90 days and are reported under the financial statement caption "cash and cash equivalents"

Restricted Net Assets

Restricted net assets represent those portions of net assets legally segregated for a specific future use. The Board has no restricted net assets.

Risk Management

The Board pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The state pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverage.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of net assets is necessary.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash in banks

For reporting purposes, deposits with financial institutions include cash reported on the balance sheet. Under state law, the Board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposits of state banks organized under the laws of Louisiana, the laws of any other state of the union, or the laws of the United States. Louisiana statutes permit the Board to invest in United States bonds, treasury notes, certificates, or other obligations and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana.

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

The Board has no deposits that are required to be reported in the three categories listed above.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal bank agent must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The carrying amount of all cash on the Statement of Net Assets totaled \$ 125,613 at June 30, 2011, with petty cash of \$ 200 included in that figure. The bank balance per the bank statement totaled \$ 139,571 at June 30, 2011.

The following is the banking institution, program, and amount of the bank balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Type</u>	<u>Amount</u>
1. Whitney National Bank	N/A	Checking	\$ 139,571
2. Whitney National Bank	N/A	Certificate	29,926
3. Whitney National Bank	N/A	Certificate	<u>34,423</u>
Total			<u>\$ 203,920</u>
Cash in State Treasury	\$ 0		
Petty Cash	\$ 200		

Certificates of Deposit (Investments):

At June 30, 2011 the Board held "investments", which were actually two certificates of deposit at Whitney National Bank located in the Baton Rouge area. Both certificates of deposit are fully insured by federal deposit insurance. Interest rates on each are 1.25%. The fair value and cost of each are equal to the each investment's carrying amount totaling \$ 64,349. See detail above.

NOTE 3: INVESTMENTS

The Board did not have any investments at June 30, 2011. See footnote 2 for discussion regarding certificates of deposit.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 4: CAPITAL ASSETS

The capital assets used by the Board are included on the Statement of Net Assets and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the Board is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets. Depreciation expense recorded for the year ended June 30, 2011 was \$ 2,807.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

Fiscal Year Ending June 30, 2011	Ending Balance 2010	Additions	Retirements	Ending Balance 2011
<u>Capital assets, being depreciated:</u>				
Vehicles	\$ 20,284	\$ -	\$ -	\$ 20,284
Office equipment	11,341	-	-	11,341
Computer equipment	14,034	-	-	14,034
Total	45,659	-	-	45,659

ACCUMULATED DEPRECIATION

Fiscal Year Ending June 30, 2011	Ending Balance 2010	Additions	Retirements	Ending Balance 2011
<u>Capital assets, being depreciated:</u>				
Vehicles	20,284	-	-	20,284
Office equipment	11,341	-	-	11,341
Computer equipment	4,678	2,807	-	7,485
Total	36,303	2,807	-	39,110
NET BOOK VALUE	\$ 9,356			\$ 6,549

NOTE 5: RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. LASERS provides retirement, disability and survivors' benefits to plan members and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. Article 10, Section

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

RETIREMENT SYSTEM (CONTINUED)

29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804-4213 or by calling (225) 922-0600.

Contribution requirements of plan members and the Board are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate to equal the actuarially required employer contribution as set forth in Louisiana Revised Statute 11:102.

Employees are required by the state to contribute 7.5% of their annual covered salaries (unless employed after July 1, 2006 – the rate is 8%), and the Board is required to make employer contributions based on an actuarially determined rate. The employer rate for the years ended June 30, 2011, 2010 and 2009 were 22%, 18.6%, and 18.5%, respectively, of annual covered payroll. The Board's employer contributions to the System for the years ended June 30, 2011, 2010 and 2009 were \$ 33,577, \$ 32,347, and \$ 27,649, respectively, and these amounts equaled the required contributions for those years.

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

NOTE 6: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan description

Louisiana State employees may participate in the State's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan (for FY 2011) that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 provides the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in Louisiana Comprehensive Annual Financial Report (CAFR).

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

POSTRETIREMENT HEALTH CARE AND OTHER BENEFITS (Continued)

You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy

The plan is currently financed on a pay-as-you-go basis. The contribution requirements of plan members and the Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage.

Annual OPEB Cost

The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period was used. For 2011, the Board's annual other postemployment benefit (OPEB) cost of 29,300 consisted of the following: (ARC \$29,100 plus interest of \$4,900 less ARC adjustment of \$4,700). The Board made contributions of \$ 14,468 for 2011. The Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2011, 2010 and 2009 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 37,463	51.02%	\$ 109,350
6/30/2010	\$ 32,896	59.78%	\$ 122,582
6/30/2011	\$ 29,300	49.38%	\$ 137,414

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 427,900
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	427,900
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employee covered by the plan)	\$ 134,900
UAAL as a percentage of covered payroll	317.20%

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

POSTRETIREMENT HEALTH CARE AND OTHER BENEFITS (Continued)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8.0% and 9.1% for pre-Medicare and Medicare eligible's, respectively, scaling down to ultimate rates of 5% per year. Retirement rate assumptions differ by employment date and date of plan participation. The Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2011, was twenty-six years.

NOTE 7: LEASES

Annual Commitments under Operating Lease

The Board had the following operating lease in effect as of and for the year ended June 30, 2011:

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

LEASES (Continued)

The Baton Rouge office space is located at 12497 Airline Highway. The lease agreement requires monthly payments in the amount of \$3,333 through December 31, 2011.

Rent expense recorded for the fiscal year ended June 30, 2011 was \$ 40,000.

Annual lease commitments are as follows:

For the fiscal year ending on June 30:

2012	<u>20,000</u>
Total minimum lease commitments	<u>\$ 20,000</u>

NOTE 8: NET ASSETS

Net assets represent the difference between assets and liabilities. The composition of net assets was as follows:

Unrestricted	\$ 25,916
Invested in capital assets	<u>6,549</u>
Total Net Assets	<u>\$ 32,465</u>

As of June 30, 2011, none of the Board's net asset balance was restricted.

NOTE 9: COMPENSATED ABSENCES

Compensated absences are recorded as current and non-current liabilities. The following is a summary of the accrued annual leave liability changes during the year:

Accrued annual leave at June 30, 2010	\$ 17,072
Net change	<u>(2,490)</u>
Accrued annual leave at June 30, 2011	<u>\$ 14,582</u>

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

NOTE 10: PER DIEM PAID TO BOARD MEMBERS

The schedule of per diem payments to Board members is presented in compliance with Louisiana State Law. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$ 75 per day.

<u>Commissioner</u>	<u>No. of Days</u>	<u>Amount Paid</u>
Gerald LaCour	7	\$ 525
James Finley	9	675
Jerry L. Payne	9	675
Keith Bienvenu	7	525
Kelly Craft	7	525
Rickey L. Fabra	24	1,800
Wendall R. Guillot	5	375
Total		<u>\$ 5,100</u>

REQUIRED SUPPLEMENTARY INFORMATION

STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/2008	\$0	\$ 496,100	\$ 496,100	0%	\$ 88,600	559.93%
07/01/2009	\$0	\$ 462,100	\$ 462,100	0%	\$ 134,100	344.59%
07/01/2010	\$0	\$ 427,900	\$ 427,900	0%	\$ 134,900	317.20%

OTHER SUPPLEMENTARY SCHEDULES

**SCHEDULES REQUIRED BY THE DIVISION OF ADMINISTRATION,
OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY**

STATE PLUMBING BOARD OF LOUISIANA
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2011

C O N T E N T S

AFFIDAVIT

Statements

MD&A (See audit report pages 3 – 7)

Balance Sheet A

Statement of Revenues, Expenses, and Changes in Fund Net Assets B

Statement of Activities (See Also Instructions for Simplified Statement of Activities) C

Statement of Cash Flows D

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- A. Summary of Significant Accounting Policies
- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments (See OSRAP Memo 11-36, Appendix A)
- D. Capital Assets – Including Capital Lease Assets
- E. Inventories
- F. Restricted Assets
- G. Leave
- H. Retirement System
- I. Other Postemployment Benefits (Additional information in OSRAP Memo 11-36, Appendix D)
- J. Leases
- K. Long-Term Liabilities
- L. Contingent Liabilities
- M. Related Party Transactions
- N. Accounting Changes
- O. In-Kind Contributions
- P. Defeased Issues
- Q. Revenues or Receivables – Pledged or Sold (GASB 48) (See OSRAP Memo 11-36, Appendix E)
- R. Government-Mandated Nonexchange Transactions (Grants)
- S. Violations of Finance-Related Legal or Contractual Provisions
- T. Short-Term Debt
- U. Disaggregation of Receivable Balances
- V. Disaggregation of Payable Balances
- W. Subsequent Events
- X. Segment Information
- Y. Due to/Due from and Transfers
- Z. Liabilities Payable from Restricted Assets
- AA. Prior-Year Restatement of Net Assets

- BB. Net Assets Restricted by Enabling Legislation (See OSRAP Memo 11-36, Appendix C)
- CC. Impairment of Capital Assets (See OSRAP Memo 11-36, Appendix B)
- DD. Employee Termination Benefits
- EE. Pollution Remediation Obligations
- FF. American Recovery and Reinvestment Act (ARRA)

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Not Applicable
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non-GAAP Basis (applicable only for entities whose budget is appropriated by the legislature)
- 15 Schedule of Comparison Figures and Instructions
- 16 Schedule of Cooperative Endeavors (see OSRAP Memo 11-36 Appendix F)

See the Appendix Packet on our Website (OSRAP Memo 11-36)

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2011

STATE PLUMBING BOARD OF LOUISIANA
12497 AIRLINE HIGHWAY
BATON ROUGE, LA 70817

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

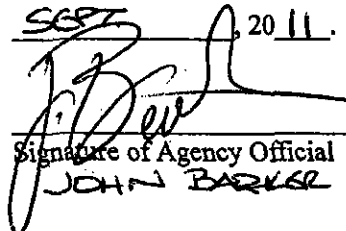
LLAFileroom@lla.la.gov.

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, John Barker, Executive Director of the State Plumbing Board of Louisiana who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the State Plumbing Board of Louisiana at June 30, 2011 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 30th day of

SGS 20 11.


Signature of Agency Official
JOHN BARKER



NOTARY PUBLIC

Prepared by: HIENZ & MACALUSO, LLC

Title: CERTIFIED PUBLIC ACCOUNTANTS

Telephone No.: 504-837-5434

Date: September 28, 2011

Email Address: rhienz@hienzmacaluso.com

Elaine M. Colligan
Notary ID No. 26962

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
BALANCE SHEET
AS OF JUNE 30, 2011**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 125,613
Restricted Cash and Cash Equivalents	
Investments	64,349
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	19,744
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	3,333
Notes receivable	
Other current assets	
Total current assets	213,039

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	
Buildings and improvements	
Machinery and equipment	6,549
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	
Total noncurrent assets	6,549
Total assets	\$ 219,588

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 15,052
Derivative instrument	
Deferred inflow of resources	
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	20,075
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	35,127

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	14,582
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	137,414
Other long-term liabilities	
Total noncurrent liabilities	151,996
Total liabilities	187,123

NET ASSETS

Invested in capital assets, net of related debt	6,549
Restricted for:	
Capital projects	
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	25,916
Total net assets	32,465
Total liabilities and net assets	\$ 219,588

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	628,831
Other	_____
Total operating revenues	628,831
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	635,135
Depreciation	2,807
Amortization	_____
Total operating expenses	637,942
Operating income(loss)	(9,111)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	491
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	491
Income(loss) before contributions, extraordinary items, & transfers	(8,620)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(8,620)
Total net assets - beginning	41,085
Total net assets - ending	\$ 32,465

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Statement C

		Program Revenues		
		Operating	Capital	Net (Expense)
	Expenses	Charges for	Grants and	Revenue and
		Services	Grants and	Changes in
		Contributions	Contributions	Net Assets
Entity	\$ 637,942	\$ 628,831	\$	\$ (9,111)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				491
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				491
Change in net assets				(8,620)
Net assets - beginning as restated				41,085
Net assets - ending				\$ 32,465

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(continued)**

Cash flows from operating activities		
Cash received from customers	\$ 621,945	
Cash payments to suppliers for goods and services	(254,429)	
Cash payments to employees for services	(380,901)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(13,385)
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		-
Net increase(decrease) in cash and cash equivalents		(13,385)
Cash and cash equivalents at beginning of year		138,998
Cash and cash equivalents at end of year	\$	125,613

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>(9,111)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	2,807	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(7,711)	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	(3,333)	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(9,204)	
Increase(decrease) in compensated absences payable	(2,490)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	825	
Increase(decrease) in OPEB payable	14,832	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u><u>(13,385)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

INTRODUCTION

The State Plumbing Board of Louisiana (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1361-1380. The following is a brief description of the operations of the Board and includes the parish/parishes in which the Board is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING – NOT APPLICABLE

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 11-36, Appendix A, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2011, consisted of the following:

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 125,613	\$ 64,349	\$	\$ 189,962
Deposits in bank accounts per bank	\$ 139,571	\$ 64,349	\$	\$ 203,920
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Whitney National Bank	Checking	\$ 139,571
2. Whitney National Bank	Certificate	29,926
3. Whitney National Bank	Certificate	34,423
4.		
Total		\$ 203,920

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ 0
Petty cash	\$ 200

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

- 2. INVESTMENTS – NOT APPLICABLE**
- 3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES – NOT APPLICABLE**
- 4. DERIVATIVES (GASB 53) – NOT APPLICABLE**
- 5. POLICIES – NOT APPLICABLE**
- 6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE**
- D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Schedule of Capital Assets (includes capital leases)

<u>University/System</u>	Balance 6/30/2010	Prior Period Adjustments	Restated Balance 6/30/2010	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2011
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Machinery & Equipment	45,659	-	45,659	-	-	-	45,659
** Accumulated depreciation	(36,303)	-	(36,303)	(2,807)	-	-	(39,110)
Total buildings	9,356	-	9,356	(2,807)	-	-	6,549
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 9,356	\$ -	\$ 9,356	\$ (2,807)	\$ -	\$ -	\$ 6,549
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	45,659	-	45,659	-	-	-	45,659
Total cost of capital assets	45,659	-	45,659	-	-	-	45,659
Accumulated depreciation/amortization	(36,303)	-	(36,303)	(2,807)	-	-	(39,110)
Capital assets, net	\$ 9,356	\$ -	\$ 9,356	\$ (2,807)	\$ -	\$ -	\$ 6,549

* Should only be used for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011**

E. INVENTORIES – NOT APPLICABLE

F. RESTRICTED ASSETS – NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

The Board) has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE – NOT APPLICABLE

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://lasers.websitegadget.com/uploads/LASERS_2010_CAFR.pdf

Members are required by state statute to contribute with the single largest group (“regular members”) contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2011, increased to 22% of annual covered payroll from the 18.6% and 18.5% required in fiscal years ended June 30, 2010 and 2009 respectively. The (BTA) contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$33,577, \$32,347, and \$27,649, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP’s website - <http://www.doa.louisiana.gov/OSRAP/afpackets.htm>) and select “GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011.” Report note disclosures for other plans, not administrated by OGB, separately.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	6/30/2011
1. * ARC	29,100
2. * Interest on NOO (4%)	4,900
3. * ARC adjustment	4,700
4. * Annual OPEB Expense (1. + 2. - 3.)	29,300
5. Contributions (employer pmts. to OGB for retirees' cost of 2011 insurance premiums)	14,468
6. Increase in Net OPEB Obligation (4. - 5.)	14,832
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	122,582
8. **NOO, end of year (6. + 7.)	137,414

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2010, to be used for fiscal year ending June 30, 2011."

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2011 if your entity's only OPEB is administered by OGB.

For more information on calculating the annual OPEB expense and the net OPEB obligation, see OSRAP Memo 11-36, Appendix D, on our website.

2. Note Disclosures – **NOT APPLICABLE** (See separately issued financial statements).

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2011 amounted to \$40,000. (Note: If lease payments extend past FY 2026, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017- 2021	FY 2022- 2026
Office Space	\$ 20,000	\$	\$	\$	\$	\$	\$
Equipment							
Land							
Other							
Total	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES – **NOT APPLICABLE**

3. LESSOR DIRECT FINANCING LEASES – **NOT APPLICABLE**

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

4. LESSOR – OPERATING LEASE – NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2011:

	<u>Year ended June 30, 2011</u>			<u>Balance</u> <u>June 30,</u> <u>2011</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
	<u>Balance</u> <u>June 30,</u> <u>2010</u>	<u>Additions</u>	<u>Reductions</u>		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$	- \$
Bonds payable					-
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable					-
Compensated absences payable	17,072		2,490	14,582	
Capital lease obligations					-
Claims and litigation					-
Pollution remediation obligation					-
OPEB payable	122,582	14,832		137,414	
Other long-term liabilities					-
Total other liabilities	139,654	14,832	2,490	151,996	-
Total long-term liabilities	\$ 139,654	\$ 14,832	\$ 2,490	\$ 151,996	\$ -

(Balances at June 30th should include current and non-current portion of long-term liabilities.)

(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the Balance Sheet for each type of long-term liabilities.

L. CONTINGENT LIABILITIES – NOT APPLICABLE

M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE

N. ACCOUNTING CHANGES – NOT APPLICABLE

O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE

P. DEFEASED ISSUES – NOT APPLICABLE

Q. REVENUES – PLEDGED OR SOLD (GASB 48) – NOT APPLICABLE

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE

T. SHORT-TERM DEBT – NOT APPLICABLE

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2011, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Licensing Board	\$ 19,744	\$ -	\$ -	\$ -	\$ 19,744
					-
Gross receivables	\$ 19,744	\$ -	\$ -	\$ -	\$ 19,744
Less allowance for uncollectible accounts					
Receivables, net	\$ 19,744	\$ -	\$ -	\$ -	\$ 19,744
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2011, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Licensing Board	\$ 11,458	\$ 3,594	\$ -	\$ -	\$ 15,052
					-
Total payables	\$ 11,458	\$ 3,594	\$ -	\$ -	\$ 15,052

W. SUBSEQUENT EVENTS – NOT APPLICABLE

X. SEGMENT INFORMATION – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – NOT APPLICABLE

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
Notes to the Financial Statement
As of and for the year ended June 30, 2011

- BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) – NOT APPLICABLE**
- CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICABLE**
- DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE**
- EE. POLLUTION REMEDIATION OBLIGATIONS – NOT APPLICABLE**
- FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – NOT APPLICABLE**

Name		Amount
Gerald LaCour	\$	<u>525</u>
James Finley		<u>675</u>
Jerry Payne		<u>675</u>
Keith Bienvenu		<u>525</u>
Kelly Craft		<u>525</u>
Rickey Fabra		<u>1800</u>
Wendell Guillot		<u>375</u>
Total	\$	<u><u>5,100</u></u>

SCHEDULE 1

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2011**

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

NOT APPLICABLE

***Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.
Send copies of new amortization schedules for bonds and unamortized costs.**

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2011
NOT APPLICABLE**

Fiscal Year					
Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>	
2012	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	-
2013	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2014	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2015	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2016	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2017-2021	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2022-2026	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2027-2031	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
2032-2036	<u> </u>	<u> </u>	<u> </u>	<u> </u>	-
Total	\$ <u> -- </u>	\$ <u> -- </u>	\$ <u> -- </u>	\$ <u> -- </u>	-

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2011
NOT APPLICABLE**

Fiscal Year Ending:	Principal	Interest
2012	\$ _____	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
2032-2036	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2011**

Fiscal Year	NOT	
<u>Ending:</u>	APPLICABLE	
	<u>Principal</u>	<u>Interest</u>
2012	\$ _____	\$ _____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
Subtotal	--	--
Unamortized	_____	_____
Discounts/Premiums	_____	_____
Total	\$ --	\$ --

***Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/11 should agree to bonds payable on the Statement of Net Assets.**

SCHEDULE 4-C

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2011
NOT APPLICABLE

Financial Statement	Adjustments	ISIS Appropriation Report-08/16/11	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	\$	\$	\$
Federal Funds		-		-
Sales of Commodities and Services		-		-
Other		-		-
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	\$	\$	\$
Personal services		-		-
Travel		-		-
Operating Services		-		-
Supplies		-		-
Professional services		-		-
Other charges		-		-
Capital outlay		-		-
Interagency transfers		-		-
Debt service		-		-
Other:				
Bad debts		-		-
Depreciation		-		-
Compensated absences		-		-
Interest expense		-		-
Other (identify)		-		-
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$ -	\$ -	\$ -	\$ -

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

**STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS**

June 30, 2011

NOT APPLICABLE

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
OPEB payable	_____
Other	_____
Change in Net Assets	\$ _____ -

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
STATE PLUMBING BOARD OF LOUISIANA
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2011</u>	<u>2010</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>629,322</u>	\$ <u>586,239</u>	\$ <u>43,083</u>	\$ <u>7.35%</u>
Expenses	<u>637,942</u>	<u>670,309</u>	<u>(32,367)</u>	<u>(4.83%)</u>
2) Capital assets	<u>6,549</u>	<u>9,356</u>	<u>(2,807)</u>	<u>(30.00%)</u>
Long-term debt	<u>151,996</u>	<u>139,654</u>	<u>12,342</u>	<u>8.84%</u>
Net Assets	<u>32,465</u>	<u>41,085</u>	<u>(8,620)</u>	<u>(20.98%)</u>
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

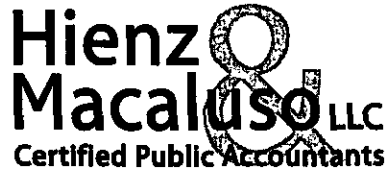
**SCHEDULE 16 -- COOPERATIVE ENDEAVORS
FOR THE YEAR ENDED JUNE 30, 2011**

AGENCY NUMBER _____
AGENCY NAME STATE PLUMBING BOARD OF LOUISIANA

NOT APPLICABLE

[illegible]

OTHER REPORTS REQUIRED BY ...
GOVERNMENT AUDITING STANDARDS



Independent Auditors' Report
on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board Members of the
State Plumbing Board of Louisiana
Department of Labor, State of Louisiana
Baton Rouge, LA 70817

We have audited the financial statements of the business-type activities of the State Plumbing Board of Louisiana (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2011-2 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2011-1.

The Board's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the State Plumbing Board of Louisiana and its management, federal and state awarding agencies and pass-through entities and the Legislative Auditor of Louisiana and is not intended to be, and should not be, anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC

Metairie, LA

September 29, 2011

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

We have audited the basic financial statements of the State Plumbing Board of Louisiana ("Board") as of and for the year ended June 30, 2011, and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control:

Material Weaknesses X YES NO
Significant Deficiencies YES X NO

Compliance:

Noncompliance Material to the Financial Statements X YES NO

b. Federal Awards:

Not applicable

Section II - Financial Statement Findings

Finding 2011-1 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

The Board has spoken with Ben Mercer, Program Compliance Officer, and continues to work on official home storage approval.

Finding 2011-2 Financial Reporting

Finding:

Due to significant turnover in personnel, we determined that the Board did not have adequate controls in place to ensure timely and accurate general ledger postings and financial reporting. This resulted in the need for a number of adjusting journal entries to correct mispostings as part of the audit.

Recommendation:

We recommend that the Board institute controls to ensure that all financial transactions are recorded on a timely and accurate basis.

Corrective Action:

The Board has rehired a former employee who has in the past overseen all financial transactions. This should resolve the untimely and inaccurate reporting of financial transactions.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

Section IV - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2011.

REPORTS BY MANAGEMENT

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control:

Material Weaknesses – YES: Finding 2010-2
Significant Deficiencies - NO

Compliance and other matters:

Noncompliance Material to the Financial Statements – YES; Finding 2010-1

b. Federal Awards:

Not applicable

Section II - Financial Statement Findings

Finding 2010-01 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend that the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

The Board intends to meet with the newly appointed Commissioner of Administration and their staff in order to explain our unique circumstances for needing home storage of the vehicle.

This finding was repeated in the current year as finding 2011-1.

Finding 2010-2 State unemployment taxes

Finding:

We determined that the Board failed to file and remit state unemployment taxes payable for the 2008 and 2009 calendar years as required by law. The failure to file payroll tax returns and remit applicable taxes due subjects the Board to potential interest and penalties.

Recommendation:

We recommend that the Board institute controls to ensure that all payroll tax returns are filed and all applicable taxes due are remitted on a timely basis.

Corrective Action:

The Board's external CPA has now remitted the delinquent payroll tax returns and taxes due along with the applicable penalties and interest. In addition, the CPA is monitoring the filing of the returns to ensure that they are prepared and remitted on a timely basis.

This finding was resolved in the current year.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

Section IV - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2010.

**STATE PLUMBING BOARD OF LOUISIANA
DEPARTMENT OF LABOR
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2011**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2011-1 Home storage/personal assignment of a state vehicle

Finding:

We determined that the executive director for the Board keeps this vehicle off-site at his personal residence after normal business hours. This is in violation of the Louisiana Administrative Code (LAC), Title 34, Part XI under Fleet Management.

Recommendation:

We recommend the Board review the Louisiana Administrative Code related to home storage/personal assignment of a state fleet vehicle. The Board should implement policies that conform to the Louisiana Administrative Code.

Corrective Action:

The Board has spoken with Ben Mercer, Program Compliance Officer, and continues to work on official home storage approval.

Finding 2011-2 Financial Reporting

Finding:

Due to significant turnover in personnel, we determined that the Board did not have adequate controls in place to ensure timely and accurate general ledger postings and financial reporting. This resulted in the need for a number of adjusting journal entries to correct mispostings as part of the audit.

Recommendation:

We recommend that the Board institute controls to ensure that all financial transactions are recorded on a timely and accurate basis.

Corrective Action:

The Board has rehired a former employee who has in the past overseen all financial transactions. This should resolve the untimely and inaccurate reporting of financial transactions.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2011.